

Improving the competitiveness and accelerating the green transition of the EU agri-food sector

Note for the discussion among Agriculture Ministers at the informal meeting in Copenhagen on 9 September 2025

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The EU finds itself in a changing world. The Russian war of aggression against Ukraine and other geopolitical developments, such as the volatile situation around trade with major trading partners, challenge the position of the EU in the global food system. Closer to home, the intensified impact of climate change is being felt, with both droughts and floods becoming more regular. Demographic changes, especially in rural areas, make the generational renewal that is needed to future-proof the farming sector difficult. At the same time, population growth is increasing demand for food and proteins globally.

Given the above, the Danish Presidency plans a discussion on how to develop win-win solutions for increased competitiveness and accelerated green transition during the informal meeting of Agriculture Ministers in Copenhagen. As a common background, this note highlights issues related to simplification, innovation and incentives as elements in the discussion. Furthermore, the Presidency poses two questions to guide the Ministers' interventions, which will be up to three minutes per Minister.

Competitiveness and simplification

To thrive in the new global scenario, the EU must adapt the way it regulates and operates itself. By setting high standards based on scientific evidence and sound policy-making, the EU has been able to position itself as a rule-setter in many domains globally. The high EU standards are also important for the agri-food export to the world market. While retaining the significant benefits this position gives EU farmers and food producers, not least in trade, there is a need to rebalance the EU approach in the direction of competitiveness and

innovation without lowering safety standards for consumers and the environment. The EU cannot afford trade-offs between the geopolitical, economic and ecological crises it faces; it must develop solutions that address all challenges at the same time.

The reports by Mario Draghi and Enrico Letta have shown the general direction the EU must also take when it comes to the food and agriculture sector. EU regulation must be revisited and developed with a view to simplify the regulatory framework in a way that not only keeps the high ambitions for the green transition, but facilitates the uptake of the new solutions that are required to reach those ambitions, and cuts unnecessary red tape for the benefit of farmers and food producers.

Agriculture and incentives for green transition

In a changing world, the Common Agricultural Policy must evolve to meet the challenges of today and tomorrow, while retaining its role as a strong, common foundation for EU food production. It already plays an important role in helping farmers respond to economic, environmental and societal pressures and expectations. This role is only likely to grow in the future, as especially climate change challenges existing production patterns and demands further adaptation and mitigation from the agricultural sector. Administrative burdens on farmers must also be reduced, and rules must be in line with the reality on the ground. The principles of better regulation are key to ensure this, including thorough impact assessments.

The Council Conclusions on a farmer-focused post 2027 Common Agricultural Policy adopted on 9 December 2024 during the Hungarian Presidency set out a number of priorities for the Council in terms of the agricultural sector's green transition. The conclusions stated, *inter alia*, that the green transition can be achieved only in partnership with farmers, and that they therefore have to be adequately incentivized and made interested in applying ecologically-responsible agricultural production practices by remunerating them beyond the costs and income foregone for their ecosystem services. The right balance between economic, social and environmental sustainability needs to be struck, making the contribution to ecosystem services attractive. Specifically, the Council Conclusions stated that farmers need to be incentivized and supported to apply innovative, smart technologies as well as agroecological and carbon farming practices, which can further contribute to reach the climate and environmental objectives and facilitate the green transition.

While recalling that the agricultural sector has natural limits in reducing greenhouse gas emissions since agricultural emissions arise from natural processes, the conclusions stressed the role that research and innovation have in developing solutions that can help to cut greenhouse gas emissions from agriculture. Finally, the conclusions called for strengthening the role of eco-schemes in the first pillar and further developing voluntary agri-environmental measures in the second pillar.

The Commission has also recognized the need for better possibilities to incentivize and support farmers in delivering public goods. With its proposal for a simplification package on agriculture of 14 May 2025, the Commission proposed to allow Member States to grant support for national requirements that go beyond the requirements in EU law for as long as they see fit. The objective is to encourage Member States and farmers to increase the delivery of environmental, climate, animal welfare and anti-microbial resistance objectives. Furthermore, under the proposal, Member States may support farmers in their investments to meet new EU legal requirements for up to three years after those requirements enter into force, as opposed to two years today.

In addition, in its communication “A Vision for Food and Agriculture”, the Commission signaled a development broadly in line with the Council’s view when it comes to the approach to green transition in the Common Agricultural Policy post 2027. The Commission wanted to extend flexibility to farmers, giving them further agency in designing farming practices that are more tailored to their farms and context. In order to achieve this, the current system of conditionality would be simplified. The Commission noted that farmers had responded positively to the introduction of eco-schemes, which rewards them to deliver ecosystem services that go beyond mandatory requirements. Therefore, the Commission would orient the future Common Agricultural Policy away from conditions to incentives.

The Commission presented its proposals for the next multiannual financial framework (MFF) and the Common Agricultural Policy after 2027 in July 2025. Under the proposals, a new Fund would be established combining the previous EU funds containing national envelopes, including the agricultural funds. Funds for income support would be ring-fenced, which would include agri-environmental and climate actions, and support for disadvantages resulting from mandatory requirements under the Water Framework Directive and the nature directives. At the same time, Member States would be allowed to grant support to farmers to meet national requirements that go beyond EU requirements. The requirements on good agricultural and environmental conditions (GAECs) would be replaced by a new concept of protective practices. Finally, the proposal also introduces a new concept of transition action plans that would provide farmers with lump sum support to make their production more sustainable and resilient.

Bio-based technological solutions

Bio-based technological solutions have great potential in reducing the climate and environmental impact of the agri-food sector without limiting the productive capacity or reducing the competitiveness of European agriculture. In fact, innovation and green solutions can create new earnings for farmers. It can also help ensure crop resilience and plant protection, increase resource efficiency, and reduce food loss and waste. In this way, it can allow for more food to be produced with less input.

However, to realize the benefits, there is a need for an EU regulatory framework that reduces time-to-market constraints. A number of regulatory barriers limit the marketing of new bio-based solutions. It is important that these barriers are reduced as much as possible while maintaining the proper level of protection in order to enhance the attractiveness of the EU. An enabling regulatory framework in the EU is needed that will ensure a level-playing field for European companies in the competition on innovative bio-based solutions globally, including in plant breeding. The existing regulatory regime within areas such as novel food, micro-organisms, feed additives, and biological plant protection products should also be reconsidered with a view to make it simpler and more innovation-friendly, without compromising food safety and environment.

The Commission's Communication on Boosting Biotechnology and Biomanufacturing in the EU from March 2024 and the political guidelines for the European Commission 2024-2029 both announced that the Commission will table a Biotech Act. The EU Life Science Strategy from July 2025 also highlights that it is essential to overcome the existing barriers to unlock the full potential of life sciences. Regarding biotechnologies, the Commission is already assessing how to streamline EU legislation and its implementation to reduce fragmentation, tap the potential for simplification and shorten the time to market for biotech innovations. It is a strong commitment to make EU legislation more innovation-friendly. Innovative biotechnical solutions within the agri-food sector should be a key focus in the preparatory work and the upcoming Biotech Act.

The Presidency asks the Ministers to consider the following two questions:

- *Given the need to feed a growing global population while meeting sustainability demands, how can the EU encourage innovation and investments in the agri-food sector to ensure access to affordable, safe and nutritious food?*
- *What changes are needed to the EU legal framework to give farmers better access to the necessary tools to deliver on the green transition?*